VIRGINIA

REPORT OF THE COMPTROLLER

June 30, 1979

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF ACCOUNTS
ANNUAL REPORT OF THE COMPTROLLER
TO THE
GOVERNOR OF VIRGINIA
FOR THE FISCAL YEAR ENDED JUNE 30, 1979

JOHN N. DALTON
GOVERNOR

CHARLES B. WALKER
SECRETARY OF ADMINISTRATION AND FINANCE

VINCENT J. PROSS, JR.
ACTING COMPTROLLER

TABLE OF CONTENTS

	PAGE
LETTER OF TRANSMITTAL	1
FINANCIAL HIGHLIGHTS	3
PROJECTED GENERAL FUND BALANCE TO JUNE 30, 1980	4
GENERAL FUND EXPENDITURES IN EXCESS OF SUM-SUFFICIENT ESTIMATES	5
REVENUES BY FISCAL YEAR BY SOURCE - ALL FUNDS - GRAPHIC ILLUSTRATION	6
REVENUES COLLECTED BY ALL FUNDS - BY SOURCE	7
EXPENDITURES BY FISCAL YEAR - ALL FUNDS - GRAPHIC ILLUSTRATION	8
EXPENDITURES MADE BY ALL FUNDS BY FUNCTION AND BUDGETARY CLASSIFICATION	9
ASSISTANCE TO/ON BEHALF OF LOCALITIES	10
COMBINED FINANCIAL STATEMENTS	11
COMBINED BALANCE SHEET	12-13
COMBINED STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES	14-15
COMBINED STATEMENT OF REVENUES	16-17
COMBINED STATEMENT OF APPROPRIATIONS, EXPENDITURES AND UNEXPENDED APPROPRIATIONS BY FUND GROUP	18-21
COMBINED STATEMENT OF APPROPRIATIONS, EXPENDITURES AND UNEXPENDED APPROPRIATIONS BY SUB-FUNCTION	22-23
GENERAL FUND FINANCIAL STATEMENTS	25
GENERAL FUND BALANCE SHEET	26
GENERAL FUND STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE	27
GENERAL FUND STATEMENT OF REVENUES	28-29
GENERAL FUND STATEMENT OF APPROPRIATIONS, EXPENDITURES AND UNEXPENDED APPROPRIATIONS BY SUB-FUNCTION	30-31
NOTES TO FINANCIAL STATEMENTS	32-36

COMMONWEALTH of VIRGINIA

Office of the Comptroller

V. J. PROSS, JR.
ACTING COMPTROLLER

P. O. BOX 6-N
RICHMOND, VIRGINIA 23215

November 27, 1979

The Honorable John N. Dalton
Governor of the Commonwealth of Virginia
State Capitol
Richmond, Virginia

Dear Governor Dalton:

In compliance with Section 2.1-207 of the Code of Virginia 1950, as amended, I submit my annual report on the financial condition of the Commonwealth for the interim year of the 1978-1980 biennium.

The financial statements contained herein reflect the combined financial condition, results of operations and changes in fund balances for all funds of the Commonwealth at June 30, 1979, and for the fiscal year then ended, in accordance with generally accepted accounting standards for governmental entities.

As of July 1, 1978, the Commonwealth implemented a programmatic budgetary system to provide more meaningful information for budgetary purposes. In order to accommodate the new budgetary system, the Commonwealth Accounting and Reporting System (CARS) was implemented on July 1, 1978. All agencies of the Commonwealth labored long and hard to comply with the massive changes in requirements generated by these new systems. Although this was a difficult year, I am proud to report that through the efforts of my employees at the Department of Accounts and all of our counterparts at each State agency we now have a modern, efficient accounting system which should accommodate the financial accounting needs of Virginia for many years to come.

Your attention is directed to Page 4 which presents an estimate of the General Fund balance projected for the close of the biennium on June 30, 1980. The estimates contained in this schedule were derived from the Appropriation Act, the Department of Taxation, and the Department of Planning and Budget. These estimates reflect your continuing efforts to control the growth of State Government in Virginia and result in a projected June 30, 1980, General Fund balance of $97,927,510.

As in previous years, certain custodial funds held in a trust capacity by the State Treasurer; endowment and other funds administered by the State supported colleges and universities; the funds of the several authorities established by law and a presentation of general fixed assets are not included in this report.

Respectfully submitted,

V. J. Pross, Jr.

V. J. Pross, Jr.

FINANCIAL HIGHLIGHTS

THE FINANCIAL ACTIVITY OF THE COMMONWEALTH IS RECORDED IN TEN DIFFERENT GROUPINGS OR FUNDS. DEFINITIONS OF THESE FUNDS ARE INCLUDED IN THE NOTES TO THIS REPORT BEGINNING ON PAGE 32. YOUR ATTENTION IS DIRECTED TO THESE NOTES, AS THEY CONTAIN DATA PERTINENT TO THE FINANCIAL CONDITION OF THE COMMONWEALTH.

UNLESS OTHERWISE NOTED, THE INFORMATION PRESENTED IN THIS SECTION OF THE REPORT REPRESENTS THE COMBINED RECEIPTS AND/OR DISBURSEMENTS OF ALL FUNDS. WHILE AMOUNTS HAVE BEEN COMBINED FOR PRESENTATION, IT SHOULD BE REMEMBERED THAT NO RESOURCES MAY BE TRANSFERRED BETWEEN FUNDS WITHOUT LEGISLATIVE AND/OR EXECUTIVE APPROVAL. A SUMMARY OF DATA PRESENTED IN THIS SECTION FOLLOWS:

THE FIRST SCHEDULE PRESENTS THE PROJECTED JUNE 30, 1980 GENERAL FUND BALANCE. INPUT FROM THE DEPARTMENT OF TAXATION AND THE DEPARTMENT OF PLANNING AND BUDGET WAS COMBINED WITH DATA CONTAINED IN THE APPROPRIATIONS ACT TO ARRIVE AT THIS PROJECTED GENERAL FUND BALANCE. THE SECOND SCHEDULE PRESENTS A SUMMARY OF NET GENERAL FUND EXPENDITURES IN EXCESS OF SUM-SUFFICIENT ESTIMATES FOR THOSE ACTIVITIES WHICH REQUIRE A FLEXIBLE BUDGET TO ACCOMPLISH THEIR ASSIGNED TASKS.

REVENUE COLLECTIONS FOR ALL FUNDS INCREASED $18.1 MILLION OR 1.7% OVER THE PREVIOUS YEAR. THE ADJOINING CHART PRESENTS REVENUES BY MAJOR SOURCE FOR THE $4,732.9 MILLION RECEIVED BY THE COMMONWEALTH DURING THE 1979 FISCAL YEAR AND FOR THE TWO PRECEDING YEARS. ALSO PRESENTED IS A COMPARATIVE REVIEW OF REVENUES COLLECTED BY MAJOR SOURCE FOR EACH OF THE LAST FIVE FISCAL YEARS. PLEASE NOTE THAT ALL RECEIPTS ARE PRESENTED NET OF REFUNDS.

EXPENDITURES OF ALL FUNDS AMOUNT TO $4,770.5 MILLION DURING THE 1979 FISCAL YEAR. THE TWO CHARTS PRESENT AMOUNTS EXPENDED AS PERCENTAGES BY PURPOSE (OR FUNCTION) AND BY BUDGETARY CLASSIFICATION FOR EACH OF THE LAST THREE FISCAL YEARS. THE ADJOINING PAGE PRESENTS A COMPARATIVE REVIEW OF EXPENDITURES BY FUNCTION AND BUDGETARY CLASSIFICATION FOR THE CURRENT YEAR AND EACH OF THE PREVIOUS FOUR FISCAL YEARS.

PAGE 10 PRESENTS A REVIEW OF MAJOR PAYMENTS TO LOCALITIES BY PROGRAM. PLEASE REMEMBER THAT THE COMMONWEALTH EXPENDED OTHER FUNDS IN SUPPORT OF LOCAL GOVERNMENTS WHICH ARE NOT INCLUDED IN THE PRESENTATION. EXAMPLES OF SUCH DISTRIBUTIONS WOULD INCLUDE, BUT WOULD NOT BE LIMITED TO, HIGHWAY CONSTRUCTION FUNDS, DISTRIBUTIONS TO LOCAL HEALTH DISTRICTS, ETC. AMOUNTS EXCLUDED FROM THIS PRESENTATION ARE NOT READILY IDENTIFIABLE AND THEREFORE ARE ONLY INCLUDED AS A PORTION OF TOTAL EXPENDITURES IN THE ACCOMPANYING FINANCIAL STATEMENTS.

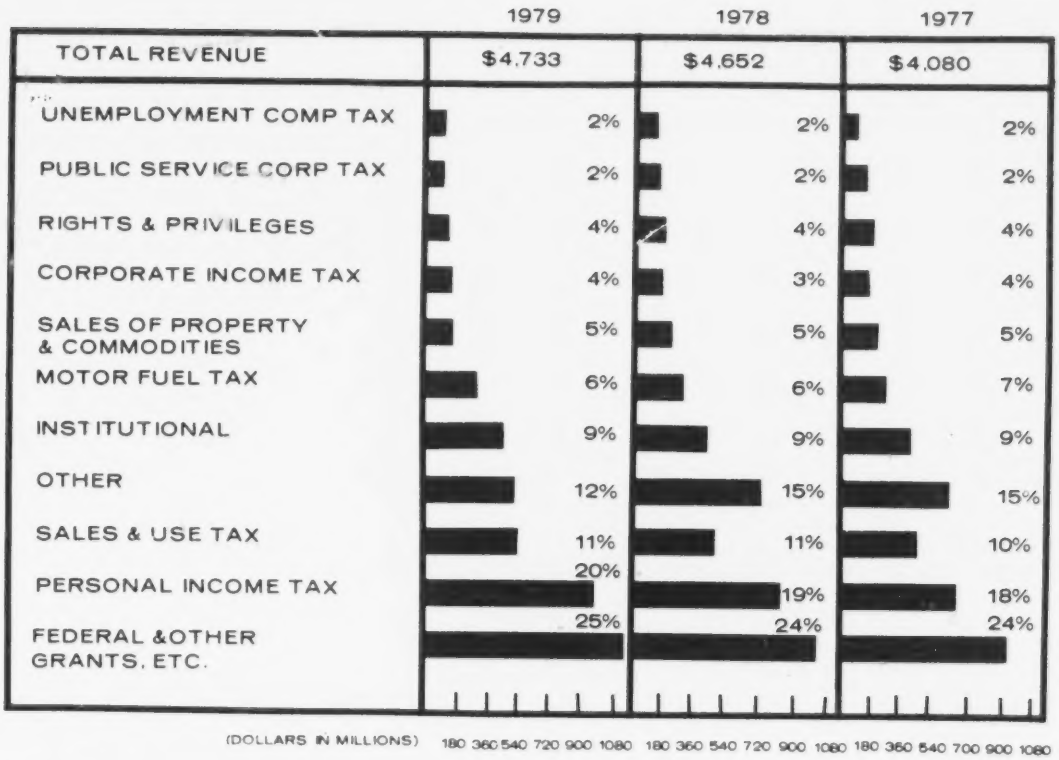
COMMONWEALTH OF VIRGINIA
PROJECTED GENERAL FUND
BALANCE TO JUNE 30, 1980
AT JUNE 30, 1979

PROJECTED REVENUE AND RESOURCES:		
FUND BALANCE, JUNE 30, 1979	$ 254,325,549	
REVENUE ESTIMATE PER CHAPTER 738, 1979 ACTS OF ASSEMBLY	2,312,400,000	
TOTAL PROJECTED RESOURCES		$2,566,725,549
PROJECTED EXPENDITURES:		
BUDGETED APPROPRIATIONS:		
CHAPTER 850, 1979 ACTS OF ASSEMBLY (OPERATING ONLY)	2,296,064,133	
CHAPTER 738, 1979 ACTS OF ASSEMBLY	56,259,515	
REAPPROPRIATION OF 1978-79 UNEXPENDED ITEMS CARRIED FORWARD FOR EXPENDITURE IN 1979-80:		
CAPITAL OUTLAY (ACTUAL UNEXPENDED BALANCE)	95,474,391	
OPERATING ACCOUNTS (ESTIMATED)	21,000,000	
TOTAL APPROPRIATIONS AND REAPPROPRIATIONS		2,468,798,039
PROJECTED GENERAL FUND BALANCE AT JUNE 30, 1980		$ 97,927,510

COMMONWEALTH OF VIRGINIA
GENERAL FUND
EXPENDITURES IN EXCESS OF
SUM-SUFFICIENT ESTIMATES
FOR THE FISCAL YEAR ENDED JUNE 30, 1979

	EXPENDITURES	
	LESS THAN ESTIMATES	IN EXCESS OF ESTIMATES
GENERAL GOVERNMENT:		
DISASTER PLAN AND OPERATIONS		$ 10,027
FINANCIAL ASSISTANCE TO LOCALITIES - GENERAL	$ 281	
SOCIAL SECURITY BENEFITS (LOCAL)		829,481
GROUP LIFE INSURANCE (LOCAL)	283,380	
ENACTMENT OF LAWS	673,991	
LEGISLATIVE EVALUATION AND REVIEW	69,278	
LEGISLATIVE RESEARCH AND ANALYSIS	97,219	
EDUCATION:		
FINANCIAL ASSISTANCE FOR SPECIAL STATE REVENUE SHARING (SALES TAX)		4,259,394
TOTAL	$ 1,124,149	$ 5,098,902
NET EXPENDITURES IN EXCESS OF SUM-SUFFICIENT ESTIMATES		$ 3,974,753

COMMONWEALTH OF VIRGINIA
ALL FUNDS
REVENUES BY SOURCE
BY FISCAL YEAR



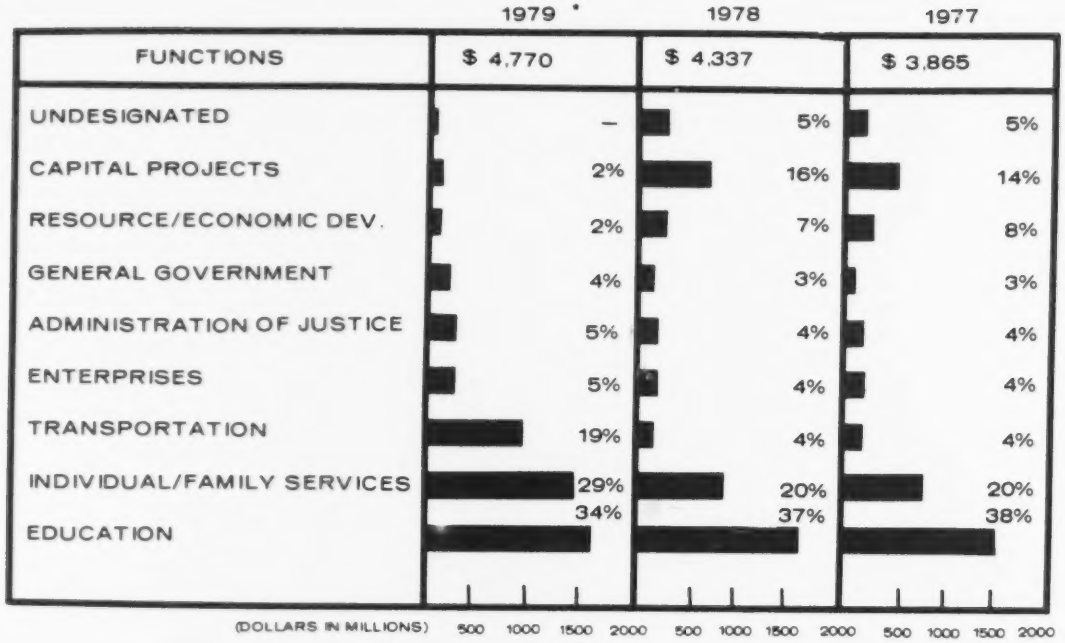
On the facing page a comparative review is presented for the last five (5) fiscal years.

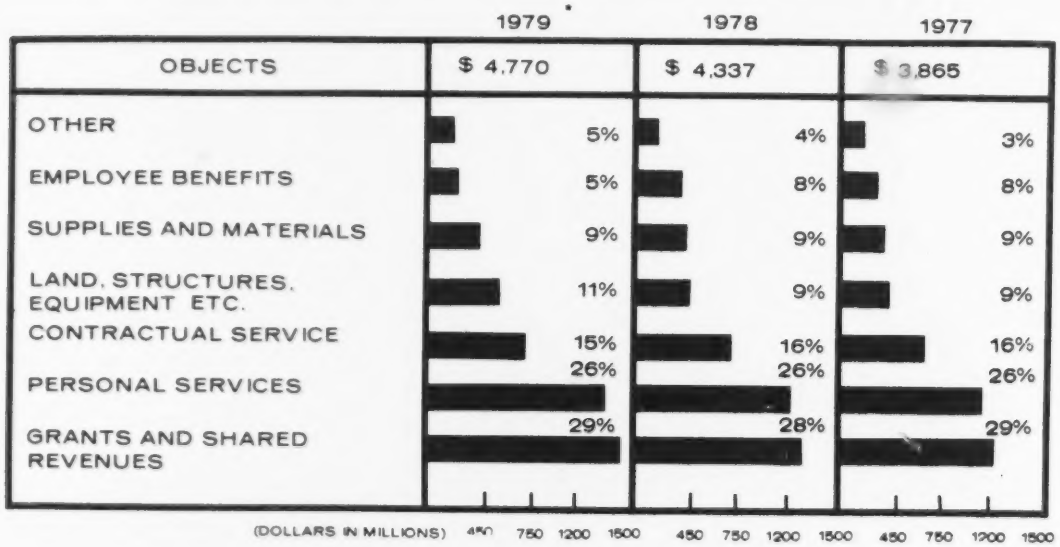
COMMONWEALTH OF VIRGINIA
REVENUES COLLECTED BY ALL FUNDS
BY SOURCE - $ = MILLIONS
FISCAL YEARS ENDED JUNE 30

	1979	1978	1977	1976	1975
TAX REVENUES:					
INCOME - INDIVIDUAL AND FIDUCIARY	$ 966.6	$ 874.8	$ 714.1	$ 614.6	$ 547.1
SALES AND USE	534.7	489.2	426.8	385.7	361.1
MOTOR FUELS	292.1	275.0	265.2	254.1	246.8
INCOME - CORPORATIONS	196.2	164.8	159.2	130.4	117.1
PUBLIC SERVICE CORPORATIONS	96.4	106.4	90.4	86.2	71.6
PAYROLL - UNEMPLOYMENT COMPENSATION	95.2	88.9	73.6	38.1	16.4
MOTOR VEHICLE SALES AND USE	72.3	68.9	58.4	49.5	40.9
INSURANCE COMPANIES - GROSS PREMIUMS	73.3	65.2	59.6	49.3	45.7
ALCOHOLIC BEVERAGE - SALES TAX	36.7	34.4	32.1	29.2	28.2
DEEDS, CONTRACTS, WILLS AND SUITS	32.9	29.8	24.8	19.5	16.0
EXCISE, BEER AND BEVERAGE	31.3	29.6	27.5	21.1	19.9
ESTATE	25.3	23.1	18.8	17.2	18.2
TOBACCO PRODUCTS	17.5	17.9	17.8	17.6	16.8
CAPITAL NOT OTHERWISE TAXED	10.9	10.6	9.7	8.9	7.7
BANK STOCK	2.8	3.1	3.7	3.8	3.5
WINE AND SPIRITS - SALES TAX	3.8	3.1	3.2	2.9	2.5
GIFTS - RESIDENT AND NON-RESIDENT	1.0	1.1	5.1	1.6	1.1
OTHER TAXES	19.0	27.6	5.2	4.4	3.3
TOTAL	2,508.0	2,313.5	1,985.2	1,734.1	1,563.9
OTHER REVENUES:					
FEDERAL AND OTHER GRANTS, DONATIONS AND FEDERAL REVENUE SHARING	1,167.7	1,108.1	976.1	849.8	822.0
INSTITUTIONAL REVENUE	438.2	408.6	374.0	325.6	292.0
SALES OF PROPERTY AND COMMODITIES	217.8	233.6	195.0	203.7	199.4
* CONTRIBUTIONS FOR RETIREMENT PURPOSES	-0-	183.4	168.3	144.7	133.2
RIGHTS AND PRIVILEGES	182.3	168.7	167.2	170.1	158.5
INTEREST, DIVIDENDS AND RENTS	70.1	122.8	119.7	83.9	120.2
FINES, FORFEITURES, COSTS, PENALTIES AND ESCHEATS	29.9	25.7	13.8	13.3	16.2
ASSESSMENTS - SPECIAL SERVICES	9.5	11.2	9.7	8.8	7.7
OTHER REVENUES	109.4	76.2	60.6	29.4	35.0
TOTAL	2,224.9	2,338.3	2,084.4	1,829.3	1,784.2
TOTAL REVENUES	$4,732.9	$4,651.8	$4,079.6	$3,563.4	$3,348.1

* BEGINNING ON JULY 1, 1978, CONTRIBUTIONS FOR RETIREMENT PURPOSES WERE CONSIDERED TO BE RECEIPTS OF THE VIRGINIA SUPPLEMENTAL RETIREMENT SYSTEM, RATHER THAN REVENUE. ACCORDINGLY, THEY HAVE BEEN EXCLUDED FROM REVENUE IN THE ABOVE CHART FOR THE FISCAL YEAR ENDED JUNE 30, 1979.

COMMONWEALTH OF VIRGINIA
ALL FUNDS
EXPENDITURES
BY FISCAL YEAR





*Beginning with fiscal year 1979 programmatic budgeting was implemented, causing a realignment of expenditure classifications from previous years.

COMMONWEALTH OF VIRGINIA
EXPENDITURES MADE BY ALL FUNDS
BY FUNCTION AND BUDGETARY CLASSIFICATION - $ = MILLIONS
FISCAL YEARS ENDED JUNE 30

	1979*	1978	1977	1976	1975
EXPENDITURES BY FUNCTION:					
EDUCATION	$1,602.5	$1,594.8	$1,473.2	$1,328.9	$1,218.9
UNDESIGNATED	.1	240.9	210.3	168.1	152.1
ADMINISTRATION OF JUSTICE	234.7	186.4	163.6	103.6	96.1
INDIVIDUAL AND FAMILY SERVICES	1,372.8	856.2	782.1	706.0	653.0
RESOURCE AND ECONOMIC DEVELOPMENT	114.1	297.8	289.6	295.8	227.4
TRANSPORTATION	923.5	165.8	153.1	118.4	114.6
GENERAL GOVERNMENT	173.1	148.5	101.0	110.1	94.9
ENTERPRISES	240.8	173.0	159.0	156.5	154.2
CAPITAL PROJECTS	108.9	673.3	532.7	524.7	628.4
TOTAL	$4,770.5	$4,336.7	$3,864.6	$3,512.1	$3,339.6
EXPENDITURES BY BUDGETARY CLASSIFICATION:					
PERSONAL SERVICES	$1,261.3	$1,129.9	$1,014.8	$ 902.4	$ 820.2
CONTRACTUAL SERVICES	735.7	709.6	603.2	487.0	461.0
SUPPLIES AND MATERIALS	419.8	386.5	342.1	308.3	292.0
GRANTS/SHARED REVENUES	1,401.4	1,209.8	1,108.7	1,028.7	958.4
EQUIPMENT	76.9	75.9	67.4	46.7	48.0
DEBT SERVICE	27.2	-0-	-0-	-0-	-0-
CURRENT CHARGES	97.2	221.8	229.7	248.5	192.1
EMPLOYEE BENEFITS	253.5	338.7	297.8	242.2	229.7
RECOVERIES	(114.8)	(131.8)	(145.6)	(117.7)	(119.4)
LAND, STRUCTURES, EQUIPMENT, OTHER PERMANENT IMPROVEMENTS	511.4	396.3	346.5	366.0	457.6
TRUST FUND EXPENDITURES	94.9	-0-	-0-	-0-	-0-
OTHER	6.0	-0-	-0-	-0-	-0-
TOTAL	$4,770.5	$4,336.7	$3,864.6	$3,512.1	$3,339.6

* BEGINNING WITH FISCAL YEAR 1979 PROGRAMMATIC BUDGETING WAS IMPLEMENTED, CAUSING A REALIGNMENT OF EXPENDITURE CLASSIFICATIONS FROM PREVIOUS YEARS.

ASSISTANCE TO/ON BEHALF OF LOCALITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 1979

SCHOOL AND OTHER EDUCATIONAL ASSISTANCE	$ 781,182,347
SCHOOL AID FROM STATE SALES AND USE TAX	179,059,394
ASSISTANCE FOR RECIPIENTS OF AID FROM STATE BOARD OF WELFARE	260,264,111
FINANCIAL ASSISTANCE FOR INDIVIDUAL, FAMILY AND COMMUNITY HEALTH SERVICES	58,000,701
ASSISTANCE FOR MASS TRANSIT, CITY STREET MAINTENANCE AND ARLINGTON AND HENRICO COUNTIES ROADWORK	53,934,819
ASSISTANCE FOR CRIME DETECTION, INVESTIGATION, LEGAL ADVICE AND TAX VALUATION	43,455,039
ASSISTANCE FOR MENTAL HEALTH AND RETARDATION SERVICES	29,428,228
ASSISTANCE FOR THE MAINTENANCE, CONSTRUCTION, OPERATION AND CONFINEMENT IN/FOR LOCAL JAIL FACILITIES	21,385,171
ASSISTANCE FROM OPERATIONS OF THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL:	
SHARE OF A.B.C. NET PROFITS	19,103,182
SHARE OF TAX ON WINE	1,983,537
ASSISTANCE FROM STATE CORPORATION COMMISSION FOR TAX VALUATION AND AID FOR LOCAL AIRPORTS	9,879,640
ASSISTANCE FOR WATER QUALITY MANAGEMENT, PLANNING AND TECHNICAL AID	9,662,483
ASSISTANCE FOR ADMINISTRATION OF JUSTICE	8,011,483
ASSISTANCE FOR PLANNING DISTRICTS; SOCIAL SERVICES RESEARCH AND PLANNING; ECONOMIC DEVELOPMENT RESEARCH, PLANNING AND COORDINATION	6,323,455
RECREATION FACILITIES ACQUISITION AND DEVELOPMENT	5,950,808
ASSISTANCE FOR INDIVIDUALS AND FAMILIES FROM OFFICE ON AGING	5,670,982
ASSISTANCE FOR PROMOTION OF HIGHWAY SAFETY	4,062,246
ASSISTANCE FOR PUBLIC LIBRARIES	3,194,861
ASSISTANCE FROM TAX ON MOBILE HOMES AND FOR THE DISPOSAL OF ABANDONED MOTOR VEHICLES	2,878,163
ASSISTANCE FOR REGISTRAR COMPENSATION AND ELECTORAL BOARD COMPENSATION AND EXPENSES	1,484,337
TOTAL ASSISTANCE	$1,504,914,987

COMBINED FINANCIAL STATEMENTS

THE COMBINED FINANCIAL STATEMENTS PROVIDE A SUMMARY OVERVIEW OF (1) THE FINANCIAL POSITION OF ALL FUNDS, (2) THE OPERATING RESULTS BY FUND GROUPS AND (3) THE CHANGES IN FUND BALANCES. ALSO PRESENTED IS A REVIEW OF REVENUE COLLECTIONS COMPARED TO THE PRIOR YEAR AND A REVIEW OF APPROPRIATIONS COMPARED TO EXPENDITURES.

THE NOTES TO FINANCIAL STATEMENTS WHICH BEGIN ON PAGE 32 ARE AN INTEGRAL PART OF THE COMBINED FINANCIAL STATEMENTS AND SHOULD BE REVIEWED IN CONJUNCTION THEREWITH. INCLUDED IN THE NOTES IS A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AS WELL AS OTHER NOTES CONSIDERED NECESSARY FOR ADEQUATE DISCLOSURE.

THE ACCOMPANYING COMBINED FINANCIAL STATEMENTS REFLECT A REVISION MADE TO THE FUND STRUCTURE FOR THE YEAR ENDED JUNE 30, 1979. YOUR ATTENTION IS DIRECTED TO THE SECTION OF NOTE 1 ENTITLED "COMPARABILITY WITH PRIOR YEARS", WHICH DESCRIBES THE CHANGES MADE AND PRESENTS THE TRANSITION FROM THE "OLD" FUND STRUCTURE TO THE "NEW".

COMMONWEALTH
COMBINED
JUNE

	GENERAL FUND	SPECIAL FUNDS	HIGHER EDUCATION OPERATING	HIGHWAY MAINT. AND CONSTRUCTION FUNDS
ASSETS				
CASH AND CASH ITEMS WITH:				
TREASURER OF VIRGINIA	$195,182,773	$ 52,728,373	$ 55,836,700	$111,763,372
TREASURER OF VIRGINIA, TRUST ACCOUNT	-	-	-	-
FISCAL AGENTS	-	-	-	-
AGENCIES AND INSTITUTIONS	3,224,126	65,481	109,000	889,194
UNITED STATES TREASURY	-	-	-	-
TAXES AND ASSESSMENTS RECEIVABLE	32,423,979	-	-	-
LOANS RECEIVABLE	-	6,000,000	-	-
TEMPORARY LOANS TO DEPARTMENTS AND INSTITUTIONS	67,637,981	-	-	-
DUE FROM OTHER FUNDS	-	-	-	300,000
WORKING CAPITAL ADVANCES	5,080,000	-	-	-
SCHOOL AND OTHER RECEIVABLES	147,904	-	-	-
INVESTMENTS	-	-	-	-
REAL ESTATE-STATE OFFICE BUILDINGS	-	-	-	-
REAL ESTATE-VSRS BUILDING	-	-	-	-
ACCRUED INTEREST PURCHASED	-	-	-	-
AMOUNT TO BE RAISED TO REDEEM PUBLIC DEBT	-	-	-	-
UNAMORTIZED LOSS ON EXCHANGE OF INVESTMENTS	-	-	-	-
TOTAL ASSETS	$303,696,763	$ 58,793,854	$ 55,945,700	$112,952,566
LIABILITIES, RESERVES AND FUND BALANCES				
WARRANTS PAYABLE	$ 2,552	$ -	$ -	$ -
PAYROLL DEDUCTIONS	31,936	103,902	3,216	-
LOCAL SHARE OF SALES TAX COLLECTIONS	16,357,617	-	-	-
MISCELLANEOUS DEPOSITS	-	460,872	-	484,746
DUE TO OTHER FUNDS	-	300,000	-	-
LOANS PAYABLE TO THE GENERAL FUND	-	6,507,080	15,604,137	-
WORKING CAPITAL ADVANCES	-	-	-	-
OTHER LIABILITIES	-	-	-	-
BONDS PAYABLE	-	-	-	-
DEFERRED REVENUE	100	181,094	12,348,094	-
TOTAL LIABILITIES	16,392,205	7,552,948	27,955,447	484,746
RESERVE FOR DEPRECIATION OF ENTERPRISE FUND EQUIPMENT	-	-	-	-
RESERVE FOR TAXES AND OTHER RECEIVABLES	32,423,979	-	-	-
OTHER RESERVES	555,030	(372)	-	-
FUND BALANCES	254,325,549	51,241,278	27,990,253	112,467,820
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	$303,696,763	$ 58,793,854	$ 55,945,700	$112,952,566

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
BALANCE SHEET
30, 1979

ENTERPRISE FUND	INTERNAL SERVICE FUNDS	TRUST AND AGENCY FUNDS	DEBT SERVICE FUNDS	DEDICATED SPECIAL REVENUE FUNDS	FEDERAL TRUST FUNDS
$ -	$ 1,841,379	$ 42,741,694	$ 3,990,931	$ 12,257,536	$ 33,795,371
-	-	260,494	-	-	-
-	-	28,901,469	32,722,731	-	-
90,000	21,400	55,495	-	36,952	24,170
-	-	92,522,493	-	-	-
-	-	-	-	-	-
-	-	-	-	216,872	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	52,624,781	-	-	-
-	-	1,415,422,927	-	-	447,799
-	-	77,930,414	-	-	-
-	-	680,000	-	-	-
-	-	1,400,580	-	-	4,634
-	-	-	290,527,279	-	-
-	-	44,918,185	-	-	-
$ 90,000	$ 1,862,779	$1,757,458,532	$ 327,240,941	$ 12,511,360	$ 34,271,974
$ -	$ -	$ -	$ -	$ -	$ -
22	-	3,769,436	-	-	-
-	-	-	-	-	-
-	-	2,382,747	-	100	2
-	-	-	-	-	-
13,047,264	-	5,963,110	15,066,028	-	11,450,361
-	5,080,000	-	-	-	-
-	-	1,124,551	-	-	-
-	-	-	290,527,279	-	-
-	-	-	-	19,618	105,423
13,047,286	5,080,000	13,239,844	305,593,307	19,718	11,555,786
474,331	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(13,431,617)	(3,217,221)	1,744,218,688	21,647,634	12,491,642	22,716,188
$ 90,000	$ 1,862,779	$1,757,458,532	$327,240,941	$ 12,511,360	$ 34,271,974

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
COMBINED STATEMENT
CHANGES IN
FOR THE FISCAL YEAR

	GENERAL FUND	SPECIAL FUNDS	HIGHER EDUCATION OPERATING FUNDS	HIGHWAY MAINT. & CONSTRUCTION FUNDS
REVENUES AND EXPENDITURES:				
REVENUES	$2,115,211,522	$ 169,891,103	$ 441,159,065	$ 790,337,947
RECOVERY OF COST	66,345	802,998	220,993	-
EXPENDITURES	2,247,581,674	171,808,328	299,602,495	864,112,855
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(132,303,807)	(1,114,227)	141,777,563	(73,774,908)
TRANSFERS:				
BUDGETARY	149,588,623	(2,358,101)	(141,350,792)	310
A.B.C. PROFITS	29,590,814	-	-	-
ANTIRECESSION FISCAL ASSISTANCE	1,154,423	-	-	-
FEDERAL REVENUE SHARING	48,949,381	-	-	-
TRANSFER OF INVESTMENTS	-	-	-	-
PROCEEDS FROM SALE OF BONDS	-	-	-	-
TRANSFERS PER CHAPTER 850, 1978 ACTS OF ASSEMBLY	(30,474,035)	3,169,385	-	30,874,700
RECEIPTS FROM TRUSTEE	-	1,465,000	-	-
TOTAL TRANSFERS	198,809,206	2,276,284	(141,350,792)	30,875,010
OTHER:				
CHANGES IN A.B.C. RESERVE FOR DEPRECIATION	-	-	-	-
REPAYMENT OF ACCELERATED SALES TAX	(13,156,328)	-	-	-
NET RECEIPTS - V.S.R.S.	-	-	-	-
NET PREMIUM ON INVESTMENTS	-	-	-	-
NET LOSS ON INVESTMENTS	-	-	-	-
MISCELLANEOUS	187,780	-	(37)	-
PAYMENTS TO TRUSTEE	-	-	-	-
TOTAL OTHER	(12,968,548)	-0-	(37)	-0-
INCREASE (DECREASE) IN FUND BALANCE FOR FISCAL YEAR 1979	53,536,851	1,162,057	426,734	(42,899,898)
FUND BALANCE, JUNE 30, 1978	200,037,711	43,255,421	25,828,231	156,214,710
FUND BALANCE ADJUSTMENTS	750,987	6,823,800	1,735,288	(846,992)
FUND BALANCE, JUNE 30, 1979	$ 254,325,549	$ 51,241,278	$ 27,990,253	$ 112,467,820

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
OF OPERATIONS AND
FUND BALANCES
ENDED JUNE 30, 1979

ENTERPRISE FUND	INTERNAL SERVICE FUNDS	TRUST AND AGENCY FUNDS	DEBT SERVICE FUNDS	DEDICATED SPECIAL REVENUE FUNDS	FEDERAL TRUST FUNDS
$ 213,786,043	$ 1,476,944	$ 267,885,375	$ 20,557,737	$ 14,396,350	$ 698,199,222
7,643	44,358,652	-	-	62	2,163,322
178,865,235	47,196,621	251,711,487	52,940,014	13,441,286	643,202,373
34,928,451	(1,361,025)	16,173,888	(32,382,277)	955,126	57,160,171
-	-	(447,101)	444,644	3,916	(5,881,499)
(29,590,814)	-	-	-	-	-
-	-	-	-	-	(1,154,423)
-	-	-	-	-	(48,949,381)
-	-	(232,756)	-	232,756	-
-	-	29,061,573	30,680,203	-	-
(3,064,000)	-	-	(486,150)	(19,900)	-
-	-	99,610,856	-	-	-
(32,654,814)	-0-	127,992,572	30,638,697	216,772	(55,985,303)
73,837	-	-	-	-	-
-	-	-	-	-	-
-	-	281,140,322	-	-	-
-	-	685,228	-	-	-
-	-	(5,781,165)	-	-	-
-	(39)	-	-	-	(2)
-	-	(120,120,274)	-	-	-
73,837	(39)	155,924,111	-0-	-0-	(2)
2,347,474	(1,361,064)	300,090,571	(1,743,580)	1,171,898	1,174,866
(16,135,204)	(1,397,343)	1,487,982,443	33,687,644	11,314,821	31,733,131
356,113	(458,814)	(43,854,326)	(10,296,430)	4,923	(10,191,809)
$ (13,431,617)	$ (3,217,221)	$1,744,218,688	$ 21,647,634	$ 12,491,642	$ 22,716,188

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH OF VIRGINIA
COMBINED STATEMENT OF REVENUES
(ALL FUNDS)
FOR THE FISCAL YEARS ENDED JUNE 30, 1979 AND 1978

FUND GROUP	1979	1978	INCREASE (DECREASE)
TAXES:			
GENERAL FUND	$2,033,707,749	$1,867,557,201	$ 166,150,548
NON GENERAL FUND	474,207,024	445,927,696	28,279,328
ALL FUNDS	2,507,914,773	2,313,484,897	194,429,876
RIGHTS AND PRIVILEGES:			
GENERAL FUND	11,410,534	10,574,848	835,686
NON GENERAL FUND	170,892,571	158,141,786	12,750,785
ALL FUNDS	182,303,105	168,716,634	13,586,471
SALE OF PROPERTY AND COMMODITIES:			
GENERAL FUND	190,040	181,393	8,647
NON GENERAL FUND	217,587,679	233,387,143	(15,799,464)
ALL FUNDS	217,777,719	233,568,536	(15,790,817)
CONTRIBUTION FOR RETIREMENT PURPOSES:			
GENERAL FUND	-	-	-
NON GENERAL FUND	-	183,420,046	(183,420,046)
ALL FUNDS	-	183,420,046	(183,420,046)
ASSESSMENTS AND RECEIPTS FOR SUPPORT OF SPECIAL SERVICES:			
GENERAL FUND	436,671	597,508	(160,837)
NON GENERAL FUND	9,036,614	10,569,407	(1,532,793)
ALL FUNDS	9,473,285	11,166,915	(1,693,630)
INSTITUTIONAL REVENUE:			
GENERAL FUND	3,031,442	2,644,764	386,678
NON GENERAL FUND	435,166,815	405,943,050	29,223,765
ALL FUNDS	438,198,257	408,587,814	29,610,443
INTEREST, DIVIDENDS AND RENTS:			
GENERAL FUND	48,326,954	27,754,771	20,572,183
NON GENERAL FUND	21,784,572	95,074,957	(73,290,385)
ALL FUNDS	70,111,526	122,829,728	(52,718,202)

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH OF VIRGINIA
COMBINED STATEMENT OF REVENUES
(ALL FUNDS)
CONTINUED

FUND GROUP	1979	1978	INCREASE (DECREASE)
FINES, FORFEITURES, COURT FEES, COSTS, PENALTIES AND ESCHEATS:			
GENERAL FUND	$ 13,930,311	$ 8,342,729	$ 5,587,582
NON GENERAL FUND	15,956,167	17,309,888	(1,353,721)
ALL FUNDS	29,886,478	25,652,617	4,233,861
OTHER REVENUE:			
GENERAL FUND	3,738,101	5,027,726	(1,289,625)
NON GENERAL FUND	71,504,067	38,083,389	33,420,678
ALL FUNDS	75,242,168	43,111,115	32,131,053
FEDERAL GRANTS AND CONTRACTS:			
GENERAL FUND	(25,426)	-	(25,426)
NON GENERAL FUND	1,119,142,495	1,059,410,175	59,732,320
ALL FUNDS	1,119,117,069	1,059,410,175	59,706,894
REVENUE SHARING AND ANTIRECESSION:			
GENERAL FUND	-	-	-
NON GENERAL FUND	48,058,085	45,915,435	2,142,650
ALL FUNDS	48,058,085	45,915,435	2,142,650
PRIVATE DONATIONS, GIFTS AND CONTRACTS:			
GENERAL FUND	200	-	200
NON GENERAL FUND	679,657	2,813,393	(2,133,736)
ALL FUNDS	679,857	2,813,393	(2,133,536)
RECEIPTS FROM CITIES, COUNTIES AND TOWNS:			
GENERAL FUND	464,946	404,144	60,802
NON GENERAL FUND	33,674,040	32,717,906	956,134
ALL FUNDS	34,138,986	33,122,050	1,016,936
RECAPITULATION:			
TOTAL GENERAL FUND	2,115,211,522	1,923,085,084	192,126,438
TOTAL NON GENERAL FUND	2,617,689,786	2,728,714,271	(111,024,485)
TOTAL ALL FUNDS	$4,732,901,308	$4,651,799,355	$ 81,101,953

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
COMBINED STATEMENT OF
AND UNEXPENDED
FOR THE FISCAL YEAR

FUNCTION/FUND GROUP	UNEXPENDED APPROPRIATIONS 1978	ORIGINAL APPROPRIATIONS 1979	SUBSEQUENT APPROPRIATIONS
EDUCATION			
GENERAL	$ -0-	$1,176,924,835	$ 4,298,795
SPECIAL	-0-	2,602,285	904,710
HIGHER EDUCATION OPERATING	-0-	300,241,070	53,449,694
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	1,849,000	57,027
TRUST AND AGENCY	-0-	959,810	687,030
FEDERAL TRUST	-0-	80,200,825	28,762,207
TOTALS	-0-	1,562,777,825	88,159,463
UNDESIGNATED			
GENERAL	-0-	1,832,380	64,686
SPECIAL	-0-	-0-	3,810
HIGHER EDUCATION OPERATING	-0-	-0-	2,400,000
TOTALS	-0-	1,832,380	2,468,496
ADMINISTRATION OF JUSTICE			
GENERAL	-0-	213,896,260	1,146,440
SPECIAL	-0-	513,110	71,456
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	2,286,400	-
ENTERPRISE	-0-	3,083,180	-
DEDICATED SPECIAL REVENUE	-0-	-	-
FEDERAL TRUST	-0-	15,305,555	2,059,985
TOTALS	-0-	235,084,505	3,277,881
INDIVIDUAL AND FAMILY SERVICES			
GENERAL	-0-	438,661,890	226,171
SPECIAL	-0-	115,720,655	8,963,879
HIGHER EDUCATION OPERATING	-0-	104,191,770	13,521,235
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	133,680	-0-
TRUST AND AGENCY	-0-	194,019,670	60,184,765
DEDICATED SPECIAL REVENUE	-0-	1,742,050	297,553
FEDERAL TRUST	-0-	469,246,050	52,879,425
TOTALS	-0-	1,323,715,765	136,073,028
RESOURCE AND ECONOMIC DEVELOPMENT			
GENERAL	-0-	56,999,150	8,617,312
SPECIAL	-0-	12,363,570	3,933,481
HIGHER EDUCATION OPERATING	-0-	600	-
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	911,410	36,802
TRUST AND AGENCY	-0-	1,552,290	235,937
DEDICATED SPECIAL REVENUE	-0-	10,306,315	686,099
FEDERAL TRUST	-0-	20,609,845	11,037,063
TOTALS	-0-	102,743,180	24,546,694
TRANSPORTATION			
GENERAL	-0-	27,683,995	232,262
SPECIAL	-0-	4,278,885	4,964,035
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	702,176,715	219,750,648
TRUST AND AGENCY	-0-	13,024,315	9,363,110
DEBT SERVICE	-0-	17,151,845	7,000,000
DEDICATED SPECIAL REVENUE	-0-	415,045	-0-
FEDERAL TRUST	-0-	10,800,000	2,466,095
TOTALS	-0-	775,530,800	243,776,150

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
APPROPRIATIONS, EXPENDITURES
APPROPRIATIONS
ENDED JUNE 30, 1979

NET TRANSFERS	TOTAL APPROPRIATIONS	EXPENDITURES	UNEXPENDED APPROPRIATIONS 6-30-79
$ 150,650,373	$1,331,874,003	$1,320,171,486	$ 11,702,517
304,836	3,811,831	3,370,066	441,765
(146,670,938)	207,019,826	176,086,997	30,932,829
74,880	1,980,907	1,878,016	102,891
-0-	1,646,840	527,121	1,119,719
777,990	109,741,022	100,440,452	9,300,570
5,137,141	1,656,074,429	1,602,474,138	53,600,291
8,552,523	10,449,589	(364)	10,449,953
(3,810)	-0-	-0-	-0-
-0-	2,400,000	146,011	2,253,989
8,548,713	12,849,589	145,647	12,703,942
9,351,171	224,393,871	216,025,698	8,368,173
47,030	631,596	605,442	26,154
-	2,286,400	2,286,126	274
238,475	3,321,655	3,279,242	42,413
399	399	51	348
(1,075,298)	16,290,242	12,463,230	3,827,012
8,561,777	246,924,163	234,659,789	12,264,374
10,446,951	449,335,012	435,035,622	14,299,390
(4,560,170)	120,124,364	115,880,666	4,243,698
(708,870)	117,004,135	114,796,514	2,207,621
-0-	133,680	123,837	9,843
3,063	254,207,498	218,074,841	36,132,657
(25,508)	2,014,095	1,869,304	144,791
(5,505,545)	516,619,930	487,011,209	29,608,721
(350,079)	1,459,438,714	1,372,791,993	86,646,721
2,107,090	67,723,552	61,893,651	5,829,901
(59,951)	16,237,100	14,056,264	2,180,836
(600)	-	-	-
75,000	1,023,212	959,845	63,367
-	1,788,227	1,787,872	355
3,517	10,995,931	10,682,713	313,218
33,773	31,680,681	24,757,008	6,923,673
2,158,829	129,448,703	114,137,353	15,311,350
2,165,605	30,081,862	29,987,986	93,876
(1,762,551)	7,480,369	4,473,281	3,007,088
(389,004)	921,538,359	854,920,048	66,618,311
-0-	22,387,425	7,674,715	14,712,710
-0-	24,151,845	14,532,533	9,619,312
-0-	415,045	365,957	49,088
-0-	13,266,095	11,546,995	1,719,100
14,050	1,019,321,000	923,501,515	95,819,485

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
COMBINED STATEMENT OF
AND UNEXPENDED
FOR THE FISCAL YEAR

FUNCTION/FUND GROUP	UNEXPENDED APPROPRIATIONS 1978	ORIGINAL APPROPRIATIONS 1979	SUBSEQUENT APPROPRIATIONS
GENERAL GOVERNMENT			
GENERAL	-0-	215,105,835	4,594,264
SPECIAL	-0-	2,630,950	1,003,762
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	716,635	2,718,074
TRUST AND AGENCY	-0-	2,861,125	550,347
FEDERAL TRUST	-0-	2,785,315	1,937,230
TOTALS	-0-	224,099,860	10,803,677
ENTERPRISES			
GENERAL	-0-	3,508,451	-0-
SPECIAL	-0-	15,428,405	771,036
ENTERPRISE	-0-	178,374,500	28,301
INTERNAL SERVICE	-0-	-0-	47,852,940
FEDERAL TRUST	-0-	366,185	109,681
TOTALS	-0-	197,677,541	48,761,958
CAPITAL PROJECTS			
GENERAL	30,937,682	72,419,223	12,323,534
SPECIAL	-0-	2,396,915	20,984,441
HIGHER EDUCATION OPERATING	-0-	2,935,400	42,203,320
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	4,289,595	1,127,752
ENTERPRISE	-0-	-	107,908
TRUST AND AGENCY	-0-	16,727,618	28,559,641
DEBT SERVICE	-0-	12,000,000	147,075,429
DEDICATED SPECIAL REVENUE	-0-	1,745,050	1,083,859
FEDERAL TRUST	-0-	16,472,870	6,997,006
TOTALS	30,937,682	128,986,671	260,462,890
GRAND TOTALS	$ 30,937,682	$4,552,448,527	$ 818,330,237

RECAPITULATION BY FUND

GENERAL	$ 30,937,682	$2,207,032,019	$ 31,503,464
SPECIAL	-0-	155,934,775	41,600,610
HIGHER EDUCATION OPERATING	-0-	407,368,840	111,574,249
HIGHWAY MAINTENANCE AND CONSTRUCTION	-0-	712,363,435	223,690,303
TRUST AND AGENCY	-0-	229,144,828	99,580,830
FEDERAL TRUST	-0-	615,786,645	106,248,692
ENTERPRISE	-0-	181,457,680	136,209
DEDICATED SPECIAL REVENUE	-0-	14,208,460	2,067,511
DEBT SERVICE	-0-	29,151,845	154,075,429
INTERNAL SERVICE	-0-	-0-	47,852,940
. TOTALS	$ 30,937,682	$4,552,448,527	$ 818,330,237

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
APPROPRIATIONS, EXPENDITURES
APPROPRIATIONS
ENDED JUNE 30, 1979

NET TRANSFERS	TOTAL APPROPRIATIONS	EXPENDITURES	UNEXPENDED APPROPRIATIONS 6-30-79
$ (32,737,024)	$ 186,963,075	$ 161,771,494	$ 25,191,581
455,359	4,090,071	2,162,482	1,927,589
-0-	3,434,709	2,837,531	597,178
(110,959)	3,300,513	3,004,314	296,199
(154,771)	4,567,774	3,310,624	1,257,150
(32,547,395)	202,356,142	173,086,445	29,269,697
(169,714)	3,338,737	3,268,404	70,333
1,296,525	17,495,966	14,315,962	3,180,004
(202,678)	178,200,123	175,585,993	2,614,130
-0-	47,852,940	47,196,621	656,319
(7,185)	468,681	392,570	76,111
916,948	247,356,447	240,759,550	6,596,897
(778,352)	114,902,087	19,427,697	95,474,390
1,924,632	25,305,988	16,944,165	8,361,823
6,029,616	51,168,336	8,572,973	42,595,363
239,434	5,656,781	1,107,452	4,549,329
(35,797)	72,111	-	72,111
(339,205)	44,948,054	20,642,624	24,305,430
444,644	159,520,073	38,407,481	121,112,592
25,508	2,854,417	523,261	2,331,156
49,536	23,519,412	3,280,285	20,239,127
7,560,016	427,947,259	108,905,938	319,041,321
$ -0-	$5,401,716,446	$4,770,462,368	$ 631,254,078
$ 149,588,623	$2,419,061,788	$2,247,581,674	$ 171,480,114
(2,358,100)	195,177,285	171,808,328	23,368,957
(141,350,792)	377,592,297	299,602,495	77,989,802
310	936,054,048	864,112,854	71,941,194
(447,101)	328,278,557	251,711,487	76,567,070
(5,881,500)	716,153,837	643,202,373	72,951,464
-0-	181,593,889	178,865,235	2,728,654
3,916	16,279,887	13,441,287	2,838,600
444,644	183,671,918	52,940,014	130,731,904
-0-	47,852,940	47,196,621	656,319
$ -0-	$5,401,716,446	$4,770,462,368	$ 631,254,078

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
COMBINED STATEMENT OF
AND UNEXPENDED
FOR THE FISCAL YEAR

FUNCTION/SUB FUNCTION	UNEXPENDED APPROPRIATIONS 1978	ORIGINAL APPROPRIATIONS 1979	SUBSEQUENT APPROPRIATIONS
EDUCATION			
ELEMENTARY AND SECONDARY EDUCATION	$ -0-	$ 27,760,860	$ 5,393,192
FINANCIAL ASSISTANCE	-0-	838,390,150	25,402,650
HIGHER EDUCATION	-0-	685,324,295	56,220,728
CULTURAL AND SCIENCE EDUCATION	-0-	11,302,520	1,142,893
TOTAL	-0-	1,562,777,825	88,159,463
UNDESIGNATED FUNCTION			
UNDESIGNATED SUB-FUNCTION	-0-	1,832,380	2,468,496
ADMINISTRATION OF JUSTICE			
CRIME DETERRENCE, SUPPRESSION & CONTROL	-0-	50,109,570	1,483,984
ADJUDICATION	-0-	37,815,150	290,906
CONFINEMENT AND COMMUNITY CUSTODY	-0-	147,159,785	1,502,991
TOTAL	-0-	235,084,505	3,277,881
INDIVIDUAL AND FAMILY SERVICES			
DISEASE RESEARCH PREVENTION AND CONTROL	-0-	9,179,030	633,518
DETECTION, DIAGNOSIS AND TREATMENT	-0-	403,363,125	26,469,507
STANDARDS OF LIVING	-0-	911,173,610	108,970,003
TOTAL	-0-	1,323,715,765	136,073,028
RESOURCE AND ECONOMIC DEVELOPMENT			
RESOURCE MANAGEMENT	-0-	56,677,705	19,135,844
ECONOMIC DEVELOPMENT PROMOTION AND IMPROVEMENT	-0-	19,539,990	3,036,383
CONSUMER AFFAIRS	-0-	26,525,485	2,374,467
TOTAL	-0-	102,743,180	24,546,694
TRANSPORTATION			
GROUND TRANSPORTATION	-0-	757,804,815	238,530,878
WATER TRANSPORTATION	-0-	5,919,460	2,591,169
AIR TRANSPORTATION	-0-	11,806,525	2,654,103
TOTAL	-0-	775,530,800	243,776,150
GENERAL GOVERNMENT			
EXECUTIVE MANAGEMENT	-0-	21,125,800	2,503,021
GENERAL SERVICES	-0-	100,698,105	6,460,245
STATE CONTRIBUTIONS AND PAYMENTS FOR EMPLOYEES	-0-	90,919,845	831,000
LEGISLATIVE SERVICES	-0-	11,356,110	1,009,411
TOTAL	-0-	224,099,860	10,803,677
ENTERPRISES			
MANUFACTURING AND MERCANTILE SERVICE	-0-	189,976,775	316,018
SUPPORTIVE OPERATIONS	-0-	7,700,766	48,445,940
TOTAL	-0-	197,677,541	48,761,958
CAPITAL PROJECTS			
CAPITAL PROJECTS	30,937,682	128,986,671	260,462,890
TOTAL ALL FUNCTIONS	$ 30,937,682	$4,552,448,527	$ 818,330,237

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
APPROPRIATIONS, EXPENDITURES
APPROPRIATIONS
ENDED JUNE 30, 1979

	NET TRANSFERS	TOTAL APPROPRIATIONS	EXPENDITURES	UNEXPENDED APPROPRIATIONS 6-30-79
	$ (1,273,416)	$ 31,880,636	$ 29,518,245	$ 2,362,391
	(198,083)	863,594,717	850,290,807	13,303,910
	5,826,794	747,371,817	710,849,475	36,522,342
	781,846	13,227,259	11,815,611	1,411,648
	5,137,141	1,656,074,429	1,602,474,138	53,600,291
	8,548,713	12,849,589	145,647	12,703,942
	3,382,197	54,975,751	50,604,316	4,371,435
	1,868,899	39,974,955	38,644,049	1,330,906
	3,310,681	151,973,457	145,411,424	6,562,033
	8,561,777	246,924,163	234,659,789	12,264,374
	1,753,130	11,565,678	9,542,815	2,022,863
	4,093,381	433,926,013	420,477,010	13,449,003
	(6,196,590)	1,013,947,023	942,772,168	71,174,855
	(350,079)	1,459,438,714	1,372,791,993	86,646,721
	1,355,881	77,169,430	65,585,750	11,583,680
	428,455	23,004,828	21,363,442	1,641,386
	374,493	29,274,445	27,188,161	2,086,284
	2,158,829	129,448,703	114,137,353	15,311,350
	1,699,120	998,034,813	906,341,486	91,693,327
	(1,685,070)	6,825,559	6,461,700	363,859
	-	14,460,628	10,698,329	3,762,299
	14,050	1,019,321,000	923,501,515	95,819,485
	(4,921,005)	18,707,816	13,167,154	5,540,662
	1,893,614	109,051,964	102,966,730	6,085,234
	(29,694,112)	62,056,733	45,905,947	16,150,786
	174,108	12,539,629	11,046,614	1,493,015
	(32,547,395)	202,356,142	173,086,445	29,269,697
	1,468,470	191,761,263	186,215,846	5,545,417
	(551,522)	55,595,184	54,543,704	1,051,480
	916,948	247,356,447	240,759,550	6,596,897
	7,560,016	427,947,259	108,905,938	319,041,321
	$ -0-	$5,401,716,446	$4,770,462,368	$ 631,254,078

PART OF THIS FINANCIAL STATEMENT.

GENERAL FUND FINANCIAL STATEMENTS

THE GENERAL FUND IS USED TO ACCOUNT FOR ALL FINANCIAL TRANSACTIONS OF THE STATE GOVERNMENT NOT PROPERLY ACCOUNTED FOR IN ANOTHER FUND. THE GENERAL FUND IS THE MAJOR SOURCE OF SUPPORT FOR MANY STATE FUNCTIONS, INCLUDING MENTAL AND GENERAL HEALTH, WELFARE, CONSERVATION AND NATURAL RESOURCES, AID TO LOCAL EDUCATION, AND GENERAL ADMINISTRATION. GENERAL FUND REVENUE IS DERIVED PRINCIPALLY FROM TAXES LEVIED ON INDIVIDUAL AND CORPORATE INCOME, SALES TAXES, PUBLIC SERVICE CORPORATIONS AND INSURANCE COMPANIES. A THIRD OF THE NET PROFIT FROM THE OPERATIONS OF THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL IS ALSO RETAINED BY THE GENERAL FUND.

GENERAL FUND FINANCIAL STATEMENTS PROVIDE A SUMMARY OVERVIEW OF (1) THE FINANCIAL POSITION OF THE GENERAL FUND, (2) OPERATING RESULTS AND (3) CHANGES IN FUND BALANCE. ALSO PRESENTED IS A COMPARISON OF GENERAL FUND REVENUE COLLECTIONS WITH ESTIMATES AND PRIOR YEAR ACTUAL COLLECTIONS AND A REVIEW OF GENERAL FUND APPROPRIATIONS COMPARED TO EXPENDITURES.

THE NOTES TO FINANCIAL STATEMENTS WHICH BEGIN ON PAGE 32 ARE AN INTEGRAL PART OF THE GENERAL FUND FINANCIAL STATEMENTS AND SHOULD BE REVIEWED IN CONJUNCTION THEREWITH. INCLUDED IN THE NOTES IS A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AS WELL AS OTHER NOTES CONSIDERED NECESSARY FOR ADEQUATE DISCLOSURE.

COMMONWEALTH OF VIRGINIA
GENERAL FUND BALANCE SHEET
JUNE 30, 1979

ASSETS		
CASH AND CASH ITEMS WITH:		
TREASURER OF VIRGINIA	$195,182,773	
AGENCIES AND INSTITUTIONS	3,224,126	$198,406,899
TAXES AND ASSESSMENTS RECEIVABLE		32,423,979
NET DEPOSITS RECEIVABLE		147,904
LOANS:		
WORKING CAPITAL ADVANCES:		
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL	13,047,264	
OTHER WORKING CAPITAL FUNDS	5,080,000	
TOTAL WORKING CAPITAL ADVANCES	18,127,264	
TEMPORARY LOANS		
DEFICIT AUTHORIZATIONS	956,214	
OTHER LOANS	53,634,503	
TOTAL TEMPORARY LOANS	54,590,717	
		72,717,981
TOTAL ASSETS		$303,696,763
LIABILITIES, RESERVES AND FUND BALANCE		
WARRANTS PAYABLE/PAYROLL DEDUCTIONS		$ 34,488
LOCAL SHARE OF SALES TAX COLLECTIONS		16,357,617
DEFERRED REVENUE		100
RESERVE FOR TAXES AND ASSESSMENTS RECEIVABLE		32,423,979
OTHER RESERVES		555,030
FUND BALANCE:		
AMOUNT REQUIRED IN 1979-80	$ 39,923,648	
REAPPROPRIATED	116,474,391	
AVAILABLE FOR APPROPRIATION	97,927,510	
TOTAL FUND BALANCE		254,325,549
TOTAL LIABILITIES, RESERVES AND FUND BALANCE		$303,696,763

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH OF VIRGINIA
GENERAL FUND STATEMENT OF
OPERATIONS AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 1979

REVENUE AND EXPENDITURES:		
REVENUE	$2,115,211,522	
RECOVERY OF COSTS	66,345	
EXPENDITURES	(2,247,581,674)	
EXCESS OF EXPENDITURES OVER REVENUE		$ (132,303,807)
TRANSFERS:		
BUDGETARY	149,588,623	
A. B. C. PROFITS	29,590,814	
ANTIRECESSION FISCAL ASSISTANCE	1,154,423	
FEDERAL REVENUE SHARING	48,949,381	
TRANSFER PER CHAPTER 850, 1979 ACTS OF ASSEMBLY	(30,474,035)	
TOTAL TRANSFERS		198,809,206
OTHER:		
REPAYMENT OF ACCELERATED SALES TAX	(13,156,328)	
TRANSFERS FOR FRINGE BENEFITS	187,780	
TOTAL OTHER		(12,968,548)
INCREASE IN FUND BALANCE FOR FISCAL YEAR 1979		53,536,851
FUND BALANCE JUNE 30, 1978		200,037,711
FUND BALANCE ADJUSTMENTS		750,987
FUND BALANCE JUNE 30, 1979		$ 254,325,549

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
GENERAL
STATEMENT OF
FOR THE FISCAL YEAR ENDED

REVENUE SOURCE	ESTIMATED REVENUE	1979 ACTUAL REVENUE
TAXES		
INDIVIDUAL AND FIDUCIARY INCOME	$ 952,100,000	$ 966,626,352
TAX ACCELERATION-INDIVIDUAL	-0-	-0-
SALES AND USE	536,300,000	534,721,624
TAX ACCELERATION-STATE SALES	-0-	-0-
CORPORATIONS INCOME	187,200,000	196,220,228
PUBLIC SERVICE CORPORATIONS	95,300,000	96,419,659
UNALLOCATED MAJOR TAXES	-0-	-0-
PREMIUMS OF INSURANCE COMPANIES	70,900,000	73,319,721
ALCOHOLIC BEVERAGE	35,500,000	40,502,914
BEER AND BEVERAGE EXCISE	32,200,000	31,262,130
WILLS, SUITS, DEEDS, CONTRACTS	30,800,000	32,852,871
INHERITANCE AND GIFT	21,800,000	26,275,293
TOBACCO PRODUCTS	17,900,000	17,478,831
CAPITAL NOT OTHERWISE TAXED	11,700,000	10,917,739
BANK STOCK	1,500,000	2,828,138
OTHER TAXES	4,800,000	4,282,249
TOTAL TAX RECEIPTS	1,998,000,000	2,033,707,749
RIGHTS AND PRIVILEGES		
LICENSES AND PERMITS	4,500,000	944,185
CORPORATE FRANCHISES AND CHARTERS	6,000,000	6,080,984
FEES FOR PRACTICE OF PROFESSIONS	1,800,000	1,581,422
FEES FOR OTHER PRIVILEGES	1,400,000	1,138,138
FEES FOR OTHER SERVICES	1,700,000	1,665,805
TOTAL RIGHTS AND PRIVILEGES	15,400,000	11,410,534
OTHER REVENUE		
SALE OF PROPERTY AND COMMODITIES	200,000	190,040
RECEIPTS FOR SUPPORT OF SPECIAL SERVICES	700,000	436,671
INSTITUTIONAL REVENUE	3,000,000	3,031,442
INTEREST, DIVIDENDS AND RENTS	25,000,000	48,326,954
FINES, FORFEITURES, COURT FEES, COST, PENALTIES AND ESCHEATS	9,800,000	13,930,311
EXCESS FEES	1,700,000	1,694,113
MISCELLANEOUS REVENUE	4,200,000	2,483,708
TOTAL OTHER REVENUE	44,600,000	70,093,239
TOTAL REVENUE	2,058,000,000	2,115,211,522
TRANSFERS		
FEDERAL GENERAL REVENUE SHARING	47,000,000	48,949,381
A.B.C. PROFITS	28,800,000	29,590,814
PER APPROPRIATIONS ACT	12,100,000	7,711,849
APPROPRIATION REVERSION FROM STATE HEALTH DEPARTMENT	9,600,000	9,605,058
ANTIRECESSION FISCAL ASSISTANCE	1,100,000	1,154,423
TOTAL TRANSFERS	98,600,000	97,011,525
TOTAL GENERAL FUND COLLECTIONS	$2,156,600,000	$2,212,223,047

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
FUND
REVENUES
JUNE 30, 1979 AND 1980

ACTUAL OVER (UNDER) ESTIMATED	1978 ACTUAL REVENUES	ACTUAL OVER (UNDER) 1978
$ 14,526,352	$ 854,815,907	$ 111,810,445
-0-	20,000,000	(20,000,000)
(1,578,376)	489,688,039	45,033,585
-0-	13,100,000	(13,100,000)
9,020,228	164,789,788	31,430,440
1,119,659	103,115,190	(6,695,531)
-0-	-0-	-0-
2,419,721	65,157,544	8,162,177
5,002,914	37,530,043	2,972,871
(937,870)	29,647,971	1,614,159
2,052,871	29,927,187	2,925,684
4,475,293	24,198,030	2,077,263
(421,169)	17,858,200	(379,369)
(782,261)	9,805,558	1,112,181
1,328,138	3,143,029	(314,891)
(517,751)	4,780,716	(498,467)
35,707,749	1,867,557,202	166,150,547
(3,555,815)	732,771	211,414
80,984	5,705,031	375,953
(218,578)	1,494,384	87,038
(261,862)	1,171,291	(33,153)
(34,195)	1,471,372	194,433
(3,989,466)	10,574,849	835,685
(9,960)	181,393	8,647
(263,329)	597,508	(160,837)
31,442	2,644,764	386,678
23,326,954	27,754,771	20,572,183
4,130,311	8,342,729	5,587,582
(5,887)	1,456,243	237,870
(1,716,292)	3,975,625	(1,491,917)
25,493,239	44,953,033	25,140,206
57,211,522	1,923,085,084	192,126,438
1,949,381	46,415,303	2,534,078
790,814	29,017,041	573,773
(4,388,151)	44,231,300	(36,519,451)
5,058	-0-	9,605,058
54,423	4,514,427	(3,360,004)
(1,588,475)	124,178,071	(27,166,546)
$ 55,623,047	$2,047,263,155	$ 164,959,892

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH
GENERAL FUND STATEMENT OF
AND UNEXPENDED
FOR THE FISCAL YEAR

FUNCTION/SUB-FUNCTION	UNEXPENDED APPROPRIATIONS 1978	ORIGINAL APPROPRIATIONS 1979	SUBSEQUENT APPROPRIATIONS
EDUCATION			
ELEMENTARY AND SECONDARY EDUCATION, INSTRUCTION, SUPERVISION AND ASSISTANCE	$ -0-	$ 24,238,980	$ 204,430
FINANCIAL ASSISTANCE FOR ELEMENTARY, SECONDARY AND POST SECONDARY EDUCATION	-0-	762,150,365	3,777,945
HIGHER EDUCATION	-0-	381,341,445	286,420
CULTURAL AND SCIENCE EDUCATION	-0-	9,194,045	30,000
TOTALS	-0-	1,176,924,835	4,298,795
UNDESIGNATED FUNCTION	-0-	1,832,380	64,686
ADMINISTRATION OF JUSTICE			
CRIME DETERRENCE, SUPPRESSION AND CONTROL	-0-	45,901,520	380,655
ADJUDICATION	-0-	37,815,150	36,555
CONFINEMENT AND COMMUNITY CUSTODY	-0-	130,179,590	729,230
TOTALS	-0-	213,896,260	1,146,440
INDIVIDUAL AND FAMILY SERVICES			
DISEASE RESEARCH PREVENTION AND CONTROL	-0-	5,711,510	157,167
DETECTION, DIAGNOSIS AND TREATMENT	-0-	177,556,840	154,480
STANDARDS OF LIVING	-0-	255,393,540	(85,476)
TOTALS	-0-	438,661,890	226,171
RESOURCE AND ECONOMIC DEVELOPMENT			
RESOURCE MANAGEMENT	-0-	29,778,495	8,498,057
ECONOMIC DEVELOPMENT, PROMOTION AND IMPROVEMENT	-0-	14,565,025	112,505
CONSUMER AFFAIRS	-0-	12,655,630	6,750
TOTALS	-0-	56,999,150	8,617,312
TRANSPORTATION			
GROUND TRANSPORTATION	-0-	22,636,835	-0-
WATER TRANSPORTATION	-0-	5,029,630	84,790
AIR TRANSPORTATION	-0-	17,530	147,472
TOTALS	-0-	27,683,995	232,262
GENERAL GOVERNMENT			
EXECUTIVE MANAGEMENT	-0-	20,030,635	483,820
GENERAL	-0-	92,799,245	2,294,333
STATE CONTRIBUTIONS AND PAYMENTS FOR EMPLOYEES	-0-	90,919,845	831,000
LEGISLATIVE SERVICES	-0-	11,356,110	985,111
TOTALS	-0-	215,105,835	4,594,264
ENTERPRISE			
MANUFACTURING AND MERCANTILE SERVICES	-0-	2,674,750	-0-
SUPPORTIVE OPERATIONS	-0-	833,701	-0-
TOTALS	-0-	3,508,451	-0-
CAPITAL PROJECTS	30,937,682	72,419,223	12,323,534
TOTAL ALL FUNCTIONS	$ 30,937,682	$2,207,032,019	$ 31,503,464

THE ACCOMPANYING NOTES ARE AN INTEGRAL

OF VIRGINIA
APPROPRIATIONS, EXPENDITURES
APPROPRIATIONS
ENDED JUNE 30, 1979

NET TRANSFERS	TOTAL APPROPRIATIONS	EXPENDITURES	UNEXPENDED APPROPRIATIONS 6-30-79
$ (1,177,887)	$ 23,265,523	$ 21,938,393	$ 1,327,130
(727,284)	765,201,026	759,593,421	5,607,605
151,766,539	533,394,404	529,294,902	4,099,502
789,005	10,013,050	9,344,770	668,280
150,650,373	1,331,874,003	1,320,171,486	11,702,517
8,552,523	10,449,589	(364)	10,449,953
2,285,380	48,567,555	44,792,200	3,775,355
690,644	38,542,349	37,535,563	1,006,786
6,375,147	137,283,967	133,697,935	3,586,032
9,351,171	224,393,871	216,025,698	8,368,173
1,596,203	7,464,880	6,531,201	933,679
8,917,835	186,629,155	183,095,380	3,533,775
(67,087)	255,240,977	245,409,041	9,831,936
10,446,951	449,335,012	435,035,622	14,299,390
1,156,838	39,433,390	34,512,617	4,920,773
666,399	15,343,929	15,018,347	325,582
283,853	12,946,233	12,362,687	583,546
2,107,090	67,723,552	61,893,651	5,829,901
2,050,625	24,687,460	24,686,087	1,373
114,980	5,229,400	5,204,576	24,824
-0-	165,002	97,323	67,679
2,165,605	30,081,862	29,987,986	93,876
(5,013,061)	15,501,394	10,845,306	4,656,088
1,924,714	97,018,292	94,074,049	2,944,243
(29,694,112)	62,056,733	45,905,947	16,150,786
45,435	12,386,656	10,946,192	1,440,464
(32,737,024)	186,963,075	161,771,494	25,191,581
383,002	3,057,752	3,016,999	40,753
(552,716)	280,985	251,405	29,580
(169,714)	3,338,737	3,268,404	70,333
(778,352)	114,902,087	19,427,697	95,474,390
$ 149,588,623	$2,419,061,788	$2,247,581,674	$ 171,480,114

PART OF THIS FINANCIAL STATEMENT.

COMMONWEALTH OF VIRGINIA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1979

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

THE STATEMENTS FOR THE COMMONWEALTH OF VIRGINIA HAVE BEEN PREPARED ON A MODIFIED ACCRUAL BASIS UNDER WHICH REVENUES ARE RECORDED WHEN RECEIVED IN CASH, AND EXPENSES ARE RECORDED AT THE TIME LIABILITIES ARE INCURRED THROUGH THE RECEIPT OF GOODS OR SERVICES, EXCEPT AS INDICATED BELOW. FOR PREPARATION OF INTERIM FINANCIAL STATEMENTS, THE COMMONWEALTH USES A CASH BASIS OF ACCOUNTING.

FUND STRUCTURE

AS MORE FULLY EXPLAINED IN THE LAST ITEM OF NOTE 1 (COMPARABILITY WITH PRIOR YEARS), THE COMMONWEALTH REVISED ITS FUND STRUCTURE ON JULY 1, 1978. BASED ON THE REVISED FUND STRUCTURE, ACTIVITIES HAVE BEEN RECORDED IN THE FUNDS DESCRIBED BELOW:

(A) THE GENERAL FUND ACCOUNTS FOR ALL FINANCIAL TRANSACTIONS NOT PROPERLY ACCOUNTED FOR IN ANOTHER FUND. THE GENERAL FUND IS THE MAJOR SOURCE OF SUPPORT FOR MANY STATE FUNCTIONS, INCLUDING MENTAL AND GENERAL HEALTH, WELFARE, CONSERVATION AND NATURAL RESOURCES, AID TO LOCAL EDUCATION, AND GENERAL ADMINISTRATION. GENERAL FUND REVENUE IS DERIVED PRINCIPALLY FROM TAXES LEVIED ON INDIVIDUAL AND CORPORATE INCOME, SALES TAXES, PUBLIC SERVICE CORPORATIONS AND INSURANCE COMPANIES. A THIRD OF THE NET PROFIT FROM THE OPERATIONS OF THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL IS ALSO RETAINED BY THE GENERAL FUND.

(B) SPECIAL REVENUE FUNDS ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE RESOURCES OR THE FINANCIAL TRANSACTIONS OF SPECIFIED ACTIVITIES, AS REQUIRED BY LAW OR AS ESTABLISHED BY ADMINISTRATIVE DETERMINATION.

(C) HIGHER EDUCATION OPERATING FUNDS ACCOUNT FOR THE STATE SUPPORTED COLLEGES, UNIVERSITIES AND THE STATE COMMUNITY COLLEGE SYSTEM. THE REVENUES FOR THESE FUNDS ARE DERIVED FROM TUITION, SPECIAL REVENUES AND FEDERAL GRANTS.

(D) THE HIGHWAY MAINTENANCE AND CONSTRUCTION FUND ACCOUNTS FOR THE ACTIVITIES OF THE DEPARTMENT OF HIGHWAYS AND TRANSPORTATION. REVENUES FOR THIS FUND'S ACTIVITIES ARE DERIVED PRINCIPALLY FROM THE STATE GASOLINE TAX AND FEDERAL GRANTS. ALSO INCLUDED IN THIS FUND ARE THE ADMINISTRATIVE ACTIVITIES OF THE DIVISION OF MOTOR VEHICLES.

(E) ENTERPRISE FUNDS ACCOUNT FOR THE FINANCING OF SELF SUPPORTING ACTIVITIES OF THE COMMONWEALTH WHICH OFFER PRODUCTS AND SERVICES ON A USER CHARGE BASIS TO THE GENERAL PUBLIC. THE ONLY ENTERPRISE OF THE COMMONWEALTH OF VIRGINIA IS THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL. TWO-THIRDS OF THE NET PROFIT IN EXCESS OF $750,000 GENERATED BY THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL IS DISTRIBUTED TO THE LOCALITIES ON THE BASIS OF POPULATION.

(F) INTERNAL SERVICE FUNDS ACCOUNT FOR SERVICES AND COMMODITIES FURNISHED BY DESIGNATED AGENCIES TO OTHER AGENCIES AND INSTITUTIONS OF THE COMMONWEALTH. SUCH ACTIVITIES ARE FINANCED INITIALLY BY A WORKING CAPITAL ADVANCE AND ON A CONTINUING BASIS BY CHARGING THE RECIPIENT AGENCY FOR THE COST OF GOODS OR SERVICES RENDERED.

(G) TRUST AND AGENCY FUNDS ACCOUNT FOR ASSETS HELD BY THE COMMONWEALTH AS TRUSTEE FOR ITS EMPLOYEES AND OTHER GOVERNMENTAL UNITS. TRUST AND AGENCY FUNDS CONSIST PRIMARILY OF THE ASSETS OF THE VIRGINIA SUPPLEMENTAL RETIREMENT SYSTEM.

(H) DEBT SERVICE FUNDS ACCOUNT FOR THE PAYMENT OF INTEREST AND PRINCIPAL RELATED TO GENERAL OBLIGATION, REVENUE AND TRANSPORTATION BONDS.

(I) DEDICATED SPECIAL REVENUE FUNDS ACCOUNT FOR SPECIAL REVENUES OBTAINED BY SPECIFIC FEES, TAXES, LICENSES, PERMITS, OR ASSESSMENTS WHICH ARE THE SOLE OR PRIMARY SOURCE OF SUPPORT FOR AGENCY ACTIVITIES AND SERVICES. REVENUES ARE RECEIVED FROM SOURCES WHICH BENEFIT FROM THE SERVICES RENDERED BY THE AGENCY AND ACCORDINGLY ARE USED EXCLUSIVELY TO SUPPORT AGENCY ACTIVITIES.

(J) FEDERAL TRUST FUNDS ACCOUNT FOR ALL FEDERAL MONIES RECEIVED EXCEPT THOSE RECEIVED BY THE DEPARTMENT OF HIGHWAYS, VIRGINIA EMPLOYMENT COMMISSION AND HIGHER EDUCATION INSTITUTIONS.

GENERAL FIXED ASSETS

GENERAL FIXED ASSETS PURCHASED ARE RECORDED AS EXPENDITURES AT THE TIME OF THE PURCHASE, AND NO DEPRECIATION IS COMPUTED. THE COMMONWEALTH DOES NOT MAINTAIN A FINANCIAL RECORD OF ITS GENERAL FIXED ASSETS, AND ACCORDINGLY A STATEMENT OF GENERAL FIXED ASSETS, REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES, IS NOT INCLUDED IN THE FINANCIAL REPORT.

THE ALCOHOLIC BEVERAGE CONTROL BOARD AND TWO STATE SUPPORTED MEDICAL COLLEGE HOSPITALS REFLECT FIXED ASSETS IN THEIR INTERNAL RECORDS AS REQUIRED BY LAW. THESE ASSETS ARE NOT INCLUDED IN THE ACCOMPANYING BALANCE SHEETS.

UNRECORDED LIABILITIES

DETAILED BELOW IS A LISTING OF ESTIMATED UNRECORDED LIABILITIES OF THE GENERAL FUND WHICH ARE OBLIGATIONS OF THE COMMONWEALTH AT JUNE 30, 1979. APPROPRIATIONS FOR THE PAYMENT OF UNRECORDED LIABILITIES ARE INCLUDED IN THE 1979-80 APPROPRIATIONS ACT (CHAPTER 738, 1979 ACTS OF ASSEMBLY) AND THESE ITEMS ARE THEREFORE EXCLUDED FROM THE BALANCE SHEET AS OF JUNE 30, 1979.

ABC PROFITS DISTRIBUTED TO LOCALITIES IN AUGUST, 1979	$19,210,000
WINE TAX DISTRIBUTED TO LOCALITIES IN SEPTEMBER, 1979	2,240,000
STATE SALES AND USE TAX DISTRIBUTED TO LOCALITIES IN JULY, 1979 (ACTUAL)	13,714,600
TOTAL UNRECORDED LIABILITIES	$35,164,600

THERE IS ALSO AN UNDETERMINED AMOUNT OF PAYABLES DUE BY STATE AGENCIES FOR SERVICES AND/OR MATERIALS OBLIGATED DURING THE FISCAL YEAR ENDED JUNE 30, 1979, WHICH ARE NOT REFLECTED IN THESE STATEMENTS.

ENTERPRISE AND INTERNAL SERVICE FUNDS

THE ENTERPRISE AND INTERNAL SERVICE FUNDS SHOWN ON THE BALANCE SHEET AND STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES ARE PRESENTED ON THE CASH BASIS, ALTHOUGH THE ACCRUAL BASIS IS REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

GENERAL FUND ADJUSTMENT

DURING THE FISCAL YEAR ENDED JUNE 30, 1979 AN ADJUSTMENT TOTALING $4,909,682 WAS IDENTIFIED BY THE DEPARTMENT OF TAXATION. THIS ITEM RELATED TO THE COLLECTION, OVER SEVERAL PRIOR FISCAL YEARS OF LOCAL SALES AND USE TAXES. BECAUSE THIS AMOUNT IS NOT A SIGNIFICANT PORTION OF THE TOTAL GENERAL FUND BALANCE AND DUE TO THE RECURRING NATURE OF THIS ITEM IT IS NOT SUBJECT TO THOSE "GENERALLY ACCEPTED ACCOUNTING PRINCIPLES" WHICH WOULD REQUIRE AN ADJUSTMENT TO BEGINNING BALANCES.

FEDERALLY FUNDED ACTIVITIES

FEDERALLY FUNDED ACTIVITY IS RECORDED AS A PORTION OF FOUR FUNDS. THREE MAJOR ACTIVITIES OF THE COMMONWEALTH HAVE BEEN SEGREGATED BY FUND FOR CONTROL PURPOSES AND ACCORDINGLY, FEDERAL FUNDS RELATED TO THESE ACTIVITIES ARE RECORDED AS A PORTION OF THOSE FUND BALANCES. ALL OTHER FEDERALLY FUNDED ACTIVITY HAS BEEN RECORDED IN THE FEDERAL TRUST FUNDS. THE THREE SEGREGATED ACTIVITIES FOLLOW:

1. ACTIVITIES RELATING TO HIGHER EDUCATION
2. HIGHWAY MAINTENANCE AND CONSTRUCTION
3. VIRGINIA EMPLOYMENT COMMISSION

COMPARABILITY WITH PRIOR YEARS

ON JULY 1, 1978 THE COMMONWEALTH OF VIRGINIA REVISED ITS FUND STRUCTURE TO BETTER MEET ITS ACCOUNTING NEEDS. THE TRANSITION FROM THE OLD FUND STRUCTURE TO THE NEW STRUCTURE INCLUDED THE ADDITION OF DEDICATED SPECIAL AND FEDERAL TRUST FUNDS AND THE ELIMINATION OF THE RESERVE AND SUSPENSE FUND. BEGINNING FUND BALANCES AT JUNE 30, 1978 HAVE BEEN RESTATED TO REFLECT THE NEW FUND STRUCTURE. ACCORDINGLY, COMPARISONS WITH PRIOR REPORTS MUST NOT BE MADE UNLESS THE EFFECT OF THE CURRENT CHANGE IN FUND STRUCTURE IS GIVEN CONSIDERATION.

NEW FUND STRUCTURE	AMOUNT	PREVIOUS FUND AFFILIATION	AMOUNT
GENERAL FUND	$ 200,037,711	GENERAL FUND	$ 200,037,711
SPECIAL FUND	$ 43,255,421	SPECIAL REVENUE FUND	$ 41,984,090
		TRUST FUND	271
		HIGHWAY MAINTENANCE AND CONSTRUCTION FUND	1,271,060
		TOTAL	$ 43,255,421
HIGHER EDUCATION OPERATING FUND	$ 25,828,231	SPECIAL REVENUE FUND	$ 12,656
		HIGHER EDUCATION INSTITUTION FUND	25,815,575
		TOTAL	$ 25,828,231
HIGHWAY MAINTENANCE AND CONSTRUCTION FUND	$ 156,214,710	SPECIAL REVENUE FUND	$ 3,888,928
		HIGHWAY MAINTENANCE AND CONSTRUCTION FUND	152,325,782
		TOTAL	$ 156,214,710
ENTERPRISE FUND	$ (16,135,204)	ENTERPRISE FUND	$ (16,135,204)
INTERNAL SERVICE FUND	$ (1,397,343)	SPECIAL REVENUE FUND	$ 11,232
		INTRAGOVERNMENTAL SERVICE FUND	(1,408,575)
		TOTAL	$ (1,397,343)
TRUST AND AGENCY FUND	$1,487,982,443	SPECIAL REVENUE FUND	$ 4,259,318
		TRUST FUND	1,503,000,475
		PUBLIC DEBT AND SINKING FUND	(19,523,538)
		HIGHER EDUCATION INSTITUTIONAL FUND	246,188
		TOTAL	$1,487,982,443
DEBT SERVICE FUND	$ 33,687,644	PUBLIC DEBT SINKING FUND	$ 33,687,644
DEDICATED SPECIAL REVENUE FUND	$ 11,314,821	SPECIAL REVENUE FUND	$ 11,314,821
FEDERAL TRUST FUND	$ 31,733,132	SPECIAL REVENUE FUND	$ 28,724,170
		HIGHER EDUCATIONAL INSTITUTIONAL FUND	3,008,962
		TOTAL	$ 31,733,132

(2) SHORT-TERM LOANS

SEVERAL STATE AGENCIES HAVE RECEIVED SHORT-TERM LOANS FROM THE GENERAL FUND OF THE COMMONWEALTH, GENERALLY TO PROVIDE OPERATING FUNDS, PENDING RECEIPT OF FEDERAL OR OTHER SPECIAL REVENUE FUNDS. THESE LOANS ARE SHOWN ON THE BALANCE SHEET AS LOANS PAYABLE TO THE GENERAL FUND.

(3) PENSION AND RETIREMENT PLANS

STATE-ADMINISTERED PENSION AND RETIREMENT PLANS CONSIST OF THE VIRGINIA SUPPLEMENTAL RETIREMENT SYSTEM (VSRS), THE STATE POLICE OFFICER'S RETIREMENT SYSTEM (SPORS), AND THE JUDICIAL RETIREMENT SYSTEM (JRS). ALL FULL-TIME STATE EMPLOYEES ARE MEMBERS OF ONE OF THESE PLANS. THE STATE'S CONTRIBUTION TO THESE PLANS DURING THE YEAR ENDED JUNE 30, 1979 WAS $99,841,735 ($85,234,709 FROM THE GENERAL FUND AND $14,607,026 FROM ALL OTHER FUNDS). AS OF JUNE 30, 1978, THE DATE OF THE LAST ACTUARIAL EVALUATION, THE UNFUNDED LIABILITY OF THE PLANS WAS $1,287,520,000. THE STATE'S CONTRIBUTION AND THE UNFUNDED LIABILITY OF THE PLANS ARE ACTUARIALLY DETERMINED EVERY TWO YEARS. THE ACTUARIAL COST METHOD USED FOR THESE DETERMINATIONS IS THE ENTRY AGE NORMAL COST METHOD WITH A 40 YEAR AMORTIZATION OF THE UNFUNDED ACCRUED LIABILITY.

(4) LEASES

CERTAIN STATE AGENCIES RENT SPACE AND EQUIPMENT FOR TERMS THAT RUN FROM ONE TO SEVERAL YEARS. THESE LEASE AGREEMENTS HAVE NON-APPROPRIATION EXCULPATORY CLAUSES THAT VOID THE LEASE IF THE GENERAL ASSEMBLY DOES NOT MAKE AN APPROPRIATION FOR THEIR CONTINUATION DURING ANY FUTURE BIENNIUM.

(5) RESTRICTED FUNDS

THERE ARE SEVERAL TYPES OF RESTRICTED FUNDS INCLUDED IN THE FUND BALANCES SHOWN IN THE FINANCIAL STATEMENTS. THE USE OF THESE FUNDS IS GENERALLY RESTRICTED TO SPECIFIC PURPOSES BY THE GRANTOR. THE MAIN SOURCE OF THESE RESTRICTED FUNDS IS THE FEDERAL GOVERNMENT.

(6) LONG-TERM INDEBTEDNESS

	BALANCE AS OF JUNE 30, 1979
GENERAL OBLIGATION BONDS	
COMMONWEALTH OF VIRGINIA GENERAL OBLIGATION BONDS, SERIES 1969; ISSUED IN THE AMOUNT OF $81,000,000 BALANCE PAYABLE IN ANNUAL INSTALLMENTS OF $5,800,000 THROUGH 1984 WITH INTEREST RATES OF 4.50 PERCENT THROUGH 4.70 PERCENT PAYABLE SEMIANNUALLY.	$ 29,000,000
COMMONWEALTH OF VIRGINIA PUBLIC FACILITIES BONDS, SERIES 1978; ISSUED IN THE AMOUNT OF $125,000,000 BALANCE PAYABLE AS FOLLOWS: $6,650,000 PAYABLE AUGUST 1, 1979 AND $6,575,000 PAYABLE IN ANNUAL INSTALLMENTS THROUGH 1997 WITH INTEREST RATES OF 4.40 PERCENT THROUGH 4.90 PERCENT PAYABLE FEBRUARY 1 AND AUGUST 1.	125,000,000
REVENUE BONDS	
HIGHER EDUCATION INSTITUTION BONDS, SERIES 1971 IN THE AMOUNT OF $23,450,000 BALANCE PAYABLE IN VARYING AMOUNTS FROM $800,000 THROUGH $1,800,000 MATURING IN 1992 WITH INTEREST RATES VARYING FROM 4 PERCENT THROUGH 6 PERCENT PAYABLE SEMIANNUALLY, LAST PAYMENT BEING $1,800,000.	18,650,000
GENERAL OBLIGATION BONDS	
HIGHER EDUCATION INSTITUTION BONDS, SERIES 1973 IN THE AMOUNT OF $19,915,000 BALANCE PAYABLE IN VARYING AMOUNTS FROM $700,000 THROUGH $1,305,000 MATURING IN 1994 WITH INTEREST RATES VARYING FROM 3.50 PERCENT THROUGH 5.50 PERCENT PAYABLE SEMI-ANNUALLY, LAST PAYMENT BEING $700,000.	16,570,000

	BALANCE AS OF JUNE 30, 1979
TRANSPORTATION FACILITIES BONDS, SERIES 1973 IN THE AMOUNT OF $103,000,000, $33,500,000 PAYABLE IN VARYING AMOUNTS FROM $7,500,000 THROUGH $8,750,000 MATURING IN 1982 WITH INTEREST RATES VARYING FROM 4.25 PERCENT THROUGH 6 PERCENT PAYABLE SEMIANNUALLY AND $47,000,000 MATURING IN 1993 WITH AN INTEREST RATE OF 4.75 PERCENT PAYABLE SEMI-ANNUALLY.	$ 71,750,000
HIGHER EDUCATION INSTITUTION BONDS, SERIES 1976 IN THE AMOUNT OF $19,555,000 BALANCE PAYABLE IN VARYING AMOUNTS FROM $605,000 THROUGH $1,540,000 MATURING IN 1996 WITH INTEREST RATES VARYING 4.10 PERCENT THROUGH 5.25 PERCENT PAYABLE SEMIANNUALLY, LAST PAYMENT BEING $1,340,000	17,845,000
HIGHER EDUCATION INSTITUTION BONDS, SERIES 1979 IN THE AMOUNT OF $11,340,000 PAYABLE IN VARYING AMOUNTS FROM $295,000 TO $880,000 MATURING IN 1999 WITH INTEREST RATES VARYING FROM 5 PERCENT TO 5.25 PERCENT PAYABLE SEMIANNUALLY.	11,340,000
UNREDEEMED BONDED DEBT	
BONDED INDEBTEDNESS ISSUED PRIOR TO 1950	372,279
TOTAL LONG-TERM INDEBTEDNESS	$290,527,279

(7) STATE EMPLOYEES' ADVANCE PREMIUM DEPOSIT FUND

THE PREMIUM DEPOSIT FUND, WHICH IS HELD BY THE LIFE INSURANCE COMPANY OF VIRGINIA, CONSTITUTES THE COMMONWEALTH'S GROUP LIFE INSURANCE PROGRAM AND TOTALED $58,588,892 AT JUNE 30, 1979. THE ASSETS OF THIS FUND ARE NOT INCLUDED IN THIS REPORT.

(8) INVESTMENTS

INVESTMENTS INCLUDE $1,474,910,667 WHICH REPRESENTS INVESTMENT OF MONIES CONTRIBUTED TO THE VIRGINIA SUPPLEMENTAL RETIREMENT SYSTEM BY EMPLOYEES AND EMPLOYERS FOR THE RETIRED AND FUTURE RETIREMENT OF EMPLOYEES AND OTHER INVESTMENTS TOTALING $18,890,473. ALL INVESTMENTS ARE HELD BY THE COMMONWEALTH AT VALUES THAT APPROXIMATE COST.

(9) LITIGATION

THE ATTORNEY GENERAL REPORTS THAT THERE IS NO LITIGATION PENDING OR, TO HIS KNOWLEDGE, THREATENED AFFECTING THE ISSUANCE OF THE BONDS OR THE SECURITY THEREOF. THE COMMONWEALTH, ITS OFFICERS AND EMPLOYEES, HOWEVER, ARE DEFENDANTS IN NUMEROUS LAWSUITS. THE ATTORNEY GENERAL HAS REVIEWED THE STATUS OF THESE PENDING LAWSUITS AND IS OF THE OPINION THAT FORESEEABLE LIABILITY, IF ANY, IN ALL OF THEM WOULD NOT HAVE A MATERIAL ADVERSE EFFECT UPON THE FINANCIAL CONDITION OF THE COMMONWEALTH.